

# EU Business Wallets



## Context

The European Business Wallets (EBW) is a cornerstone of the EU's 2030 digital goals. It attempts to transform the Single Market into a seamless administrative space where a company in one Member State can bid for a contract or register for taxes in another just as easily as they would at home.

This proposal presents the business version of the European Digital Identity Wallet—built to replace slow, paper-based processes with a high-tech, automated system.

Currently, doing business across EU borders is bogged down by red tape and technical hurdles. Regulatory compliance consumes roughly 1.8% of turnover for large firms and 2.5% for SMEs. Moreover, cross-border users can only access 56% of public services digitally, compared to 88% for national users. There is also a large security risk for businesses as sharing credentials via email leads to fraud, such as invoice scams costing over €26 million annually.

The key objectives of the EBW therefore aim to streamline the "Business-to-Government" (B2G) and "Business-to-Business" (B2B) experience by (1) aiming for a 25% reduction in administrative burdens overall (and 35% for SMEs), (2) by moving away from manual verification to automated, data-driven exchanges and (3) by providing a trusted way for all economic operators—including sole traders and public institutions—to prove their identity and mandates.

## The Rationale for EBW

Following stakeholder consultations, the EC confirmed that the current status quo is a mess of fragmentation. It was determined that cross-border document exchange is currently repetitive, slow, and riddled with human error causing excessive burden to companies. Results showed that the expectation was for the EBW to slash costs, improve data accuracy, and finally make cross-border feel as seamless as local. However, while open to cloud-based solutions, businesses are worried about integration challenges of this new tool with current existent systems.

To make the EBW a success, stakeholders emphasised four must-haves:

1. The technology must be future-proof and flexible and not tied to one specific provider.
2. The EBW has to work with the existing EU Digital Identity Wallet.
3. Small businesses need clear, real world examples and extra support to adopt these tools.
4. The model should be sustainable and based on real-world business needs.

As a result of its consultations, to ensure the EBW doesn't just sit on a digital shelf, the Commission decided to:

- Make acceptance mandatory for public sector bodies (ensuring businesses actually have someone to send their data to).
- Enable secure retrieval of data directly from business registries.
- Guarantee traceability so every interaction is secure and verifiable.

## **The European Business Wallets (EBW)**

### 1. Scope & Definitions

Within the proposal, the definition of the Wallet is intentionally wide. It isn't tied to a specific app or device. Instead, it's defined by what it does: allowing users to store, manage, and share verified identification data and electronic attestations (like professional licenses).

Crucially, the proposal defines the Wallet as a tool for issuing and delegating mandates. This means a CEO can digitally "hand" the right to sign contracts to a manager, and that delegation is legally recognised EU-wide.

### 2. How will EBW work in practice?

- The Principle of Legal Equivalence enshrined in the text is significant as it mandates that any action taken via the Wallet, whether it's signing a document or proving your business status, carries the same legal weight as if you did it in person.
- The EU will set a minimum set of things every Wallet must be able to do and providers must meet strict requirements and be placed on a national trusted list after an eligibility check.
- To prevent fraud, the Wallet uses data from qualified trust service providers or national registries.
- Every Wallet owner gets a Unique Identifier. If you already have an EUID (from existing company law), that's your ID. If you are a freelancer or a public body without one, Member States will pull from national registers to create a Union-wide unique ID.
- The European Digital Directory which shall be maintained by the Commission, will allow businesses to find and contact each other securely without worrying about imposter accounts or phishing.
- Existing eIDAS supervisory bodies will oversee the Wallet providers in their countries.

### 3. Public Sector Obligations

Public bodies must allow businesses to use the Wallet for identifying, authenticating, and submitting reports or administrative documents. Interestingly, Member States can decide that for certain procedures, the Wallet is the only way to submit documents. This is a push to kill off paper-based bureaucracy entirely for specific tasks.

### 4. The International Dimension

The EU recognises that business doesn't stop at the border of the 27 Member States. The EU shall recognise digital wallet systems from third countries (like the UK, USA, or Singapore). This shall only occur if the foreign system offers functionalities equivalent to the EU version and meets the same high standards for security, trust, and data integrity. It's designed to facilitate global trade while keeping EU data safe.

## 5. Future Proofing

The Commission is required to periodically check if the system is actually working. They will look at whether it's reducing costs for SMEs and if the supervisory bodies are doing their jobs. The proposal also allows for the Regulation to be updated as the market evolves, ensuring the legal framework doesn't become obsolete within a few years.

The full proposal for the Regulation can be found [here](#).

**Disclaimer: This is a policy brief to create awareness about the legislative proposal and for information purposes. It is not an official position of the Malta Business Bureau.**

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